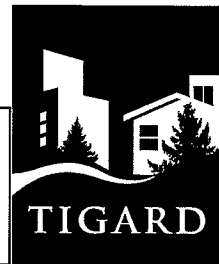


Agenda Item No. 3,1b  
 For Agenda of 1-23-07



*Tigard City Council Meeting Minutes*

Date: December 19, 2006  
 Time: 7 p.m.  
 Place: Tigard City Hall, 13125 SW Hall Boulevard  
 Tigard, Oregon  
 Attending: Mayor Craig Dirksen Presiding  
 Councilor Sydney Sherwood  
 Councilor Nick Wilson  
 Councilor Tom Woodruff  
 Absent:-- Councilor Sally Harding

Agenda Item	Discussion & Comments	Action Items (follow up)
Study Session	Mayor Dirksen called the meeting to order at 7 p.m.	
Study Session: City Center Advisory Commission (CCAC) Membership Vacancies	Senior Planner Nachbar reviewed current and upcoming membership vacancies on the CCAC. A copy of the staff report is on file in the City Recorder's office.	After discussion, Council consensus was to ask the CCAC to self-select with regard to terms, which will be staggered.  Senior Planner Nachbar advised he would return to the City Council with suggestions for CCAC appointments as well as for appointments to the advisory committee for the development of the Fanno Creek Park Master Plan.
Study Session	Administrative Items: <ul style="list-style-type: none"> <li>♦ Oregon Department of Transportation (ODOT) Region 1 Manager Jason Tell was scheduled to meet this evening with the City Council; however, he is unable to attend.</li> <li>♦ City Council Draft Goals for 2007 – City Manager Prosser asked City Council members to review a draft of the City Council goals and advise him of any changes.</li> </ul>	Meeting with Mr. Tell of ODOT rescheduled to the City Council meeting of January 23, 2007.

Agenda Item	Discussion & Comments	Action Items (follow up)
	<ul style="list-style-type: none"> <li>◆ City Council member liaison appointments to the City's boards and committees still need to be determined.</li> <li>◆ Councilor-elect Buehner advised of another resignation from the Planning Commission as of December 18. Another advertisement seeking applicants will be posted.</li> <li>◆ City Manager Prosser advised he anticipates Mr. Jim Long will appear before the City Council regarding motorists ignoring stop signs at 79<sup>th</sup> and Spruce Street. Mr. Long testified at the December 12, 2006, Citizen's Communication agenda item to express his concerns about this matter. He acknowledged to staff today that police presence had increased in this area, but he had also expected to receive a follow-up written response. City Manager Prosser advised City Council that he requested Police Chief Dickinson respond to Mr. Long and his neighbors.</li> <li>◆ City Manager Prosser advised that one telephone call had been received regarding the proposed ordinance for a motor vehicle fuel tax. The Oregon Petroleum Association requested the number of registered voters within the City of Tigard.</li> </ul> <p>Study Session concluded at 7:19 p.m.</p>	<p>Staff will provide City Council with a list of current boards and committees.</p>
Business Meeting	<p>1.1 Mayor Dirksen called the City Council and the Local Contract Review Board to Order at 7:31 p.m.</p> <p>1.2 Council Present: Mayor Dirksen, Councilors Sherwood, Wilson, and Woodruff.</p> <p>1.3 Pledge of Allegiance</p> <p>1.4 Council Communications &amp; Liaison Reports</p> <p>1.5 Call to Council and Staff for Non-Agenda Items</p> <ul style="list-style-type: none"> <li>◆ Councilor Sherwood advised she would give a report on the National League of Cities Conference at a future City Council meeting.</li> </ul>	

Agenda Item	Discussion & Comments	Action Items (follow up)
2. Citizen Communication	<p>Tigard Area Chamber of Commerce President Ralph Hughes presented an update on Chamber activities. He noted the tree lighting ceremony was held earlier in the month. He referred to a membership-drive event that will be conducted in mid-January. President Hughes noted the Chamber plans to become more involved in economic development and tourism and said they would appreciate any assistance the City of Tigard might be able to give.</p> <p>Kevin Saier, 13911 SW Hillshire Drive, Tigard, OR requested follow up on an issue brought before the City Council at a Fifth Tuesday City Council meeting. Neighbors were objecting to a Municipal Code interpretation whereby a residential homeowner could construct a tower or antenna structure of any height on their residential land. Mr. Saier distributed information to the City Council, which is on file in the City Recorder's office.</p> <p>City Manager Prosser said he would request Community Development Director Coffee to contact Mr. Saier. Mr. Prosser said he believed a director's interpretation/definition had been documented, which addresses the concerns with regard to the height of towers/antennas. <i>(City Recorder's Note: See Director's Interpretation, dated July 3, 2006, which is on file with the Council packet information for this meeting.)</i></p> <p>Jim Long, 10730 SW 72<sup>nd</sup> Avenue, Tigard, Oregon advised he had expected a response regarding his testimony at the last meeting concerning motorists disregarding stop signs in his neighborhood. He noted there are still problems; however, he has noticed increased law enforcement.</p> <p>Mr. Long also noted that the Blue Pages in the telephone book are at risk and questioned whether there has been a violation of state statutes. He noted the listings contained in the Blue Pages include schools, which make these numbers easily accessible. Councilor Woodruff noted that Mr. Long was a leader in establishing the availability of</p>	

Agenda Item	Discussion & Comments	Action Items (follow up)								
	<p>the Blue Pages.</p> <p>Mayor Dirksen noted typically staff presents a verbal report at the next Council meeting to follow up on citizen concerns brought up at the previous meeting. Staff, when they became aware of Mr. Long's expectation of a written response, prepared one. Mayor Dirksen apologized for the misunderstanding and gave Mr. Long the written response prepared by Police staff.</p> <p>Councilor Sherwood noted the lack of resources for continual monitoring of the stop signs. City Manager Prosser added that officers can spot check the area. Mayor Dirksen said that if the traffic control devices continue to be a problem, then there will be a need to address the matter.</p>									
3. Consent Agenda	<p>Mayor Dirksen reviewed the Consent Agenda:</p> <p>3.1 Approve City Council Minutes: November 21, 2006</p> <p>3.2 Authorize the Mayor to Sign a Memorandum of Understanding (MOU) with Tualatin Valley Fire and Rescue (TFV&amp;R) Regarding the Joint Development of the Walnut Street Fire Station and the Expansion and Improvement of Jack Park</p> <p>3.3 Approve Budget Amendment #10 to the FY 2006-07 Budget to Accept and Expend a State Homeland Security Grant for Purchase of 800 MHz Radios – Resolution No. 06-76</p> <p>A RESOLUTION APPROVING BUDGET AMENDMENT #10 TO THE FY 2006-07 BUDGET TO ACCEPT AND EXPEND A STATE HOMELAND SECURITY GRANT FOR PURCHASE OF 800 MHZ RADIOS</p>	<p>Motion by Councilor Wilson, seconded by Councilor Woodruff, to approve the Consent Agenda.</p> <p>The motion was approved by a unanimous vote of Council present.</p> <table><tr><td>Mayor Dirksen</td><td>Yes</td></tr><tr><td>Councilor Sherwood</td><td>Yes</td></tr><tr><td>Councilor Wilson</td><td>Yes</td></tr><tr><td>Councilor Woodruff</td><td>Yes</td></tr></table>	Mayor Dirksen	Yes	Councilor Sherwood	Yes	Councilor Wilson	Yes	Councilor Woodruff	Yes
Mayor Dirksen	Yes									
Councilor Sherwood	Yes									
Councilor Wilson	Yes									
Councilor Woodruff	Yes									
4. Meeting with TriMet General Manager Fred Hansen - Progress Report on Third Year of the Tigard/	<p>TriMet General Manager reviewed progress achieved during 2006 under the Tigard-TriMet Memorandum of Understanding (MOU) for improving local access and service.</p> <p>Highlights of this review and discussion include the following:</p>									

Agenda Item	Discussion & Comments	Action Items (follow up)
TriMet Memorandum of Understanding	<ul style="list-style-type: none"> <li>◆ The commuter rail is the next major investment for the region.</li> <li>◆ The "P811" equipment finished its work on the commuter rail track in 28 days. TriMet worked closely with the communities affected to advertise road closures. Mayor Dirksen advised he had heard a few concerns – but only a "very few." Additional track work will need to be done that will require road closures again.</li> <li>◆ The urban renewal efforts by Tigard will be important for the commuter rail.</li> <li>◆ The station in the Washington Square area will need pedestrian connections. Mayor Dirksen suggested Washington Square area businesses might be willing to contribute to a "people mover" to encourage people to shop.</li> <li>◆ The Tigard rail yard will be upgraded with funds from a grant from "Connect Oregon." This project will benefit both the freight and commuter rails.</li> <li>◆ Increased bus service for Tigard area continues to be delayed; still experiencing the effects of the "tail end" of the recession. The No. 1 priority is to enhance frequent bus service for Line No. 76 so there is a bus every 15 minutes all day, every day. The majority of ridership (56%) is on frequent bus service routes.</li> <li>◆ Line 38 will be rerouted. Changes are also planned for service along Barrows Road.</li> <li>◆ Additional bus shelters (8) are planned along Pacific Highway. Also, one bus shelter at Main and Scoffins has already been constructed.</li> <li>◆ Lighting improvements (solar lighting) has been installed at some locations.</li> <li>◆ Mr. Hansen noted Tigard's accomplishments with regard to sidewalk improvements and that he was pleased to send letters of support when Tigard applied for Community Development Block Grants. Improved sidewalks have provided better access to bus stops.</li> <li>◆ Mr. Hansen advised he serves on the board that approves regional transportation project funding in the JPACT process. While he could not write a support letter for Tigard requests, he indicated he would be supportive of Tigard transportation projects.</li> </ul>	

Agenda Item	Discussion & Comments	Action Items (follow up)
	<ul style="list-style-type: none"> <li>◆ People are becoming more supportive of light rail throughout the region. Mr. Hansen noted 99W/Barbur might someday be served by light rail; preliminary discussions have begun.</li> <li>◆ The commuter rail is on schedule and should be operational by September 2008.</li> <li>◆ Mr. Hansen advised there has been consideration of “trails with rails.” Obstacles include liability issues raised by the private freight interests as well as restrictive right-of-way access (narrowness).</li> <li>◆ In response to a question raised by Councilor Wilson, Mr. Hansen said legal agreements would need to be renegotiated to increase the number of hours of service for the commuter rail – some freight will be running during the day. The Oregon Department of Transportation is interested in exploring additional service areas; at this time, service to Milwaukie and Keizer is being discussed.</li> <li>◆ Mayor Dirksen noted the beginnings of true multi-modal transportation, which will take a load off of the highways.</li> <li>◆ Mayor Dirksen said he was glad to hear that TriMet continues to work on increasing bus service in Tigard as Tigard is still under-served. He added he is pleased to continue to work with TriMet.</li> <li>◆ Mr. Hansen said that the 20<sup>th</sup> anniversary of Max occurred last September. The transportation changes in the region that have taken place in the last 20 years, usually take 50 years.</li> <li>◆ Mayor Dirksen thanked Mr. Hansen for the letters of support.</li> </ul>	
5. Meeting with Oregon Department of Transportation (ODOT) Region 1 Manager Jason Tell	Agenda Item No. 5 was rescheduled to the January 23, 2007, City Council meeting.	

Agenda Item	Discussion & Comments	Action Items (follow up)								
6. Amendment To Tigard Municipal Code (TMC) Chapter 12.10.100 Regarding the City of Tigard's Cross Connection Control Program	<p>Assistant Public Works Director Rager and Water Quality Supervisor Goodrich presented the staff report.</p> <p>The proposed ordinance updates Tigard Municipal Code language on cross connections between the drinking water system and contaminants. The proposed wording comes from the Oregon Administrative Rules, which clarifies certain language and provides staff with better enforcement and education tools.</p> <p>Councilor Wilson noted that, as a landscape architect, he has questions and concerns about the proposed draft. The backflow device (called "reduced pressure principle backflow prevention," aka "R/P device") required in the proposed ordinance would require a freeze-protection attachment. The R/P device, staff advised, would be the most effective to prevent cross connections. The Oregon Administrative Rules do not require the R/P device (except for certain hazardous situations); however, it is recommended. Beaverton and West Linn require an R/P device for commercial irrigation.</p> <p>Councilor Wilson said requiring an R/P device for all commercial and residential irrigation systems seems impractical and expensive. Installation of an R/P device is estimated to cost \$100 plus the expense of a freeze protection attachment. In addition, there is an annually required test costing about \$30-40.</p> <p>Councilor Wilson observed that the regulator often only looks at one issue and there is a need to balance the need for requirements with associated costs so it does not become an unnecessary burden to the homeowner. He said he does not see where there is documentation that cross connections have occurred causing major public health concerns. Councilor Wilson said he would also like to see annual testing expenses built into the rates. Water Quality Supervisor Goodrich advised that the devices</p>	<p>Motion by Councilor Woodruff, seconded by Councilor Sherwood, to table consideration of the proposed cross connection ordinance to allow staff more time to prepare a revised proposal based on the City Council's comments.</p> <p>The motion was approved by a unanimous vote of Council present.</p> <table><tr><td>Mayor Dirksen</td><td>Yes</td></tr><tr><td>Councilor Sherwood</td><td>Yes</td></tr><tr><td>Councilor Wilson</td><td>Yes</td></tr><tr><td>Councilor Woodruff</td><td>Yes</td></tr></table>	Mayor Dirksen	Yes	Councilor Sherwood	Yes	Councilor Wilson	Yes	Councilor Woodruff	Yes
Mayor Dirksen	Yes									
Councilor Sherwood	Yes									
Councilor Wilson	Yes									
Councilor Woodruff	Yes									

Agenda Item	Discussion & Comments	Action Items (follow up)								
	<p>are owned by the customer and referred to liability issues associated with staff testing of these devices. Councilor Wilson commented that he did not see why this should be viewed any differently than meter reading, which is done by staff. City Manager Prosser said additional staff might be required if staff is used to test the backflow devices. Councilor Wilson requested the cost of testing be built into the rates so the owner does not have to remember to do it. Councilor Sherwood mentioned that Tualatin Valley Water District has an automatic notification process reminding people to test.</p> <p>Consensus of City Council was to request staff to review the proposed ordinance to make the cross connection regulations less onerous.</p>									
7. Public Hearing to Consider an Ordinance Implementing a Gas Tax for Greenburg/99W/ Main Street Improvements	<p>Mayor Dirksen opened the public hearing.</p> <p>City Engineer Duenas introduced this agenda item. The proposed ordinance would establish a three-cent tax on each gallon of motor vehicle fuel with the revenue dedicated to the Greenburg Road/99W/ Main Street intersection improvements. The driving force behind these improvements is that the county is in the initial stages of design for the Hall and 99W intersection and the improvements to Greenburg Road would complement those improvements to reap the full benefits of the intersection improvements at Hall Boulevard. As long as Greenburg Road and 99W remains a bottleneck, full benefits of the county's improvements will not be realized. The proposed fuel tax is a recommendation from the Transportation Financing Strategies Task Force (TFSTF) appointed by the City Council. Mr. Duenas introduced Gretchen Buehner, the Chair of the TFSTF. He also advised that the following members of the TFSTF were also present: Bev Froude and Ralph Hughes (was at the meeting earlier, but left).</p> <p>TFSTF Chair Buehner reviewed the status of what had occurred over the last two-and-one-</p>	<p>Motion by Councilor Sherwood, seconded by Councilor Wilson, to adopt Ordinance No. 06-21.</p> <p>The motion was approved by a unanimous vote of Council present.</p> <table><tr><td>Mayor Dirksen</td><td>Yes</td></tr><tr><td>Councilor Sherwood</td><td>Yes</td></tr><tr><td>Councilor Wilson</td><td>Yes</td></tr><tr><td>Councilor Woodruff</td><td>Yes</td></tr></table>	Mayor Dirksen	Yes	Councilor Sherwood	Yes	Councilor Wilson	Yes	Councilor Woodruff	Yes
Mayor Dirksen	Yes									
Councilor Sherwood	Yes									
Councilor Wilson	Yes									
Councilor Woodruff	Yes									



Agenda Item	Discussion & Comments	Action Items (follow up)
	<p>half years. The City Council reactivated the TFSTF to look at options for financing transportation projects. Gas tax revenues have been increasing at a rate far lower than inflation leading to erosion of funds available for financing of capital projects. In early 2005, after about nine months of review, the Task Force decided that a local gas tax was the best option. Using the very successful Washington County MSTIP format, the Task Force made a recommendation to Council to tie the local gas tax to a specific project or projects. At that point, the City Council asked the Task Force to come back to them with a proposal.</p> <p>Washington County began the preliminary engineering to improve the Hall and 99W intersection. After work with the Oregon Department of Transportation (ODOT) and the City of Tigard, a joint funding package was created allowing that project to go ahead. In the fall of 2005, Council hired an engineering consulting firm to look at options for improvements on the Greenburg Road intersection. A report on those options was given to the City Council earlier this year. Also, during the early part of this year, the Task Force reviewed the consultant's report, looked at funding estimates, and potential gas tax revenues. Revenues were estimated to be about \$300,000 per year per one cent of gas tax. The Task Force determined that the Greenburg Road project met all of the criteria, which had been established in previous Task Force discussions. This would really work out well if it could be done concurrently with the 99W project because it would allow the road to be torn up only once and potentially save the taxpayers some money.</p> <p>Because Tigard has 14 gas stations, a much larger number than other parts of the county, a three-cent gas tax could pay for the project in approximately five years. The proposal has a sunset clause that would terminate the gas tax when the project is paid for.</p>	

Agenda Item	Discussion & Comments	Action Items (follow up)
	<p>During the summer of 2006, the City did a citizen survey and congestion on 99W came back as the No. 1 issue of concern of our citizens. The Task Force made a recommendation to City Council in July 2006 and specifically mentioned the time sensitivity because of the ongoing Hall Street project. A rapid decision would allow concurrent construction and save taxpayers significant dollars.</p> <p>The City Council directed the Task Force to meet with gas station owners to get feedback from the industry. The Task Force met with the gas station owners twice in September. The owners are concerned about whether this tax would put local stations at a disadvantage competitively with other communities and any tax should be imposed at a state level. Ms. Buehner noted that Multnomah County has had a similar gas tax for at least the last 20 years, so anyone who is coming down 99W from Portland is coming from an area that has this tax.</p> <p>Another issue that was raised by Task Force members was a concern about the ability of getting the state tax increased anytime in the near future because the gas station owners, AAA, and the trucking industry have been unable to come to agreement since 1991. In addition, the state and/or county gas tax revenues are allocated on a per capita basis and because Tigard has such a large number of gas stations in comparison with its population, it would get fewer dollars based on a per capita distribution. For example, we are looking at a potential \$300,000 per one cent of gas tax based on the stations that we have here in the city as opposed to getting somewhere between \$145 – 170,000 per one cent of gas tax if it was coming from the county and/or the state.</p> <p>The gas station owners also raised the issue that it was unfair to charge them and not other businesses. The Task Force took that issue</p>	

Agenda Item	Discussion & Comments	Action Items (follow up)
	<p>seriously and looked at the possibility of increasing business taxes on all other businesses in the community. Unfortunately, the potential amount of revenue that could be raised from doing this is minimal compared to what would be realized from gas tax revenues; i.e., \$30,000 per year. But, the Task Force was very concerned about what the gas station owners were saying in terms of fairness. The Task Force looked at making sure that if the state or the county passes an increase in gas tax, that this would be credited against any tax that the City of Tigard has; such language has been included in the proposed ordinance.</p> <p>Council had concerns about how the citizens of Tigard feel about a gas tax. At the direction of City Council, the Task Force held two open houses in November and the Task Force was quite surprised that there was relatively little negative response. Most people understood the fact that we have serious problems obtaining revenue. Ms. Buehner said she was quite surprised at how few people attended these meetings given the potential importance of the issue.</p> <p>At the last study session, the City Council agreed to hold a hearing on this tax, which is why the matter is before the Council this evening.</p> <p>Public Testimony</p> <p><u>Opponents</u></p> <p>Steve O'Toole, of the Oregon Petroleum Association, 7070 SW Fir Loop, Tigard, Oregon 97223 and Dave Kimmel, 1335 SW 66<sup>th</sup> Avenue, Suite 201, Portland Oregon 97225 testified.</p> <p>Mr. O'Toole said that Ms. Buehner covered many of the areas of concern; however, he said he would note additional issues. He said his association has been opposed to local gas taxes no matter where they have come up. He said they have been in support of a statewide gas tax</p>	

Agenda Item	Discussion & Comments	Action Items (follow up)
	<p>because this would create a “level playing field all the way across the state.” Their concern is with a number of local gas taxes being proposed in individual locations. Once some of these are passed, it makes it an easier situation to say that they do not need to increase the statewide gas tax. Mr. O’Toole said that Ms. Buehner was correct when she said that it has been a number of years since the last statewide gas tax. However, there have been a few developments within the last couple of years that might make a difference during the upcoming legislative session. One difference is that the States of Washington, California and Idaho have increased their gas taxes. Therefore, there is room for Oregon to increase the statewide gas tax.</p> <p>Mr. O’Toole said his second point is that there is evidence that there is activity indicating that the legislators are concerned about this issue. Mr. O’Toole said his association supports a statewide gas tax as they agree that there are a lot of projects that need funding within local jurisdictions.</p> <p>Mr. O’Toole said they are not actually opposed to the project named in the ordinance; however, they are opposed to the funding source identified. It is an unfair burden to a number of the association’s members. He said his members are not “big oil”; they are retailers and a very small part of the final gas price is decided by retailers. They have been having a very difficult time in the last ten years. He referred to increased competition with “big box” stores. He also noted a lot of work by the Department of Environmental Quality (DEQ) imposing regulations. DEQ, ODOT, Fire Marshall’s office, and Weights and Measures are all asking for fee increases this year. Mr. O’Toole said there has been a substantial number of consolidations and mergers because many of the dealers can no longer survive. Therefore, for all of the reasons mentioned above, they are very concerned about a local gas tax. He referred to</p>	

Agenda Item	Discussion & Comments	Action Items (follow up)
	<p>the competitive nature of the business where customers will travel to other stations to save a few cents more. Very little of this tax may be passed on to the consumer because of the competitive environment.</p> <p>Mr. Kimmel said that Cain Petroleum has two stations in Tigard. One is at Highway 99W and McDonald and the other is the Chevron station just before the off-ramp to Highway 217 on 99W. In both cases, these stations are “pretty much fuel only” so there are limited resources in terms of other alternatives in terms of producing income on the property.</p> <p>Mr. Kimmel said the competition from outside Tigard would have, essentially, an automatic three-cent discount. Margins are just not big enough to remain competitive and they would lose significant volumes of customers. Therefore, the projections of the amount of revenue from the gas tax will be off because these projections are based on the current volume of fuel sales. He explained that major companies no longer discount prices within zones; all stations buy fuel at exactly the same price. There is no way of having a competitive advantage with a three-cent tax to maintain their sales volumes and they are very concerned their volumes will drop significantly. He’s concerned that they may be forced to close one or both of their facilities in Tigard.</p> <p>Local owners are not making a lot of money even though gas prices have almost tripled. He said he believes this concern holds true for all of the stations within the Tigard area. He noted Beaverton, Tualatin, Sherwood, and King City dealers would likely receive more business. Today, people are a lot more mobile and travel to other areas for work and will buy gas outside their local area.</p> <p>Mr. Kimmel said that Multnomah County does have a gas tax and the County is losing stations and no new stations have been built in the</p>	

Agenda Item	Discussion & Comments	Action Items (follow up)
	<p>County almost 20 years. This is why Tigard has more stations per capita than Multnomah County and the City of Portland. He does not think people will buy their gas in Tigard to help support the Greenburg Road improvement project; rather, they will buy at the facility offering the cheapest price. The local citizenry that will be hurt the most by this are those that do not drive much and who use the infrastructure the least. Because they stay within the local area, they will have to pay that tax more. The other consequence is that citizens might travel outside the area to purchase gas because it is cheaper and then do their shopping outside the region thereby damaging other local businesses as well.</p> <p>Mr. Kimmel said they are not against the transportation improvements. However, he believes any tax should be implemented on a statewide basis.</p> <p>Councilor Sherwood noted that about ten years ago she was with a group that opposed the Texaco station on Bull Mountain Road because it was located in a neighborhood and there was concern about the congestion it would create at the location. At that time, gas companies wanted to locate near where people live. She said she thinks most people travel to the gas station closest to home and noted this is what she does. Mr. O'Toole said that was the philosophy in the past; however, current studies indicate that over the last few years as gas prices have gone up, the main consumer consideration is now the price of gas. Loyalty to a gas station used to be a lot stronger than it is today. Mr. Kimmel agreed with Mr. O'Toole that price is the major draw for gas customers.</p> <p>Councilor Sherwood challenged that if something is not done about the intersections on 99W, people will not use 99W and, thus, will go somewhere else to get their gas. Mr. Kimmel said they would support a statewide tax to put money back into the communities to work on</p>	

Agenda Item	Discussion & Comments	Action Items (follow up)
	<p>infrastructure. Councilor Sherwood said if she thought the legislature would take up this issue, then this wouldn't be considered by Tigard. Mr. O'Toole said they have in the past and will in the future testify in support of a statewide gas tax.</p> <p>Phil Yount, 112722 SW Cottonwood, Tigard OR 97223 referred to the work done by the citizen group for the last 2-1/2 years that was recommending the gas tax. As a private citizen, he agrees with the testimony of Mr. O'Toole and Mr. Kimmel. He will look for a lower gas price. He said he notices prices more now than he did 10 or 20 years ago, for which the difference in price can be up to 15-cents per gallon. He said most people are price conscious. Mr. Yount would support a statewide increase or, if it were possible, to add some to the property tax, where "I get to complain once a year instead of every time I fill my tank."</p> <p>Councilor Sherwood and Mayor Dirksen indicated that a property tax increase was not a realistic option. Councilor Sherwood questioned Mr. Yount about what he would do to improve the traffic flow and connectivity in the city. Mr. Yount said he would rather see the City Council put pressure on the state legislature to get a three-cent allocation. Councilor Sherwood said if the state does pass a gas tax, then the local tax will be discontinued. City Engineer Duenas explained the amount would be credited since the one-cent state tax would not be equivalent to a one-cent local tax. Mayor Dirksen asked that if the state or county were to raise a gas tax, would City of Tigard immediately reduce its gas tax or would it sunset the gas tax sooner. City Engineer Duenas said the ordinance is written to sunset after five years, but the amount coming from the state could be credited to it, which would lower the tax.</p> <p>Councilor Sherwood asked Mr. O'Toole if mergers of stations were occurring primarily because of a change in regulations relating to</p>	

Agenda Item	Discussion & Comments	Action Items (follow up)
	<p>storage tanks. Mr. O'Toole said that many of the tank upgrades occurred in 1998.</p> <p>Mr. O'Toole suggested a possible solution, which would be to charge the local businesses and to spread the burden so that it would cover everyone within the community. A street utility fee could be charged to the business community as well as individuals. This would bring in more income. The problem is that there are only about 14 gas stations and the amount of income the City will receive will not be that substantial and you are putting an unfair burden on those gas stations when they cannot pass on the tax.</p> <p>Councilor Sherwood said one of the reasons she liked this tax was because the people who are using the highway are the ones that will be helping to pay for it. Mr. O'Toole said a lot of times the users will not pay; rather, it will be the gasoline dealers who pay. Mr. O'Toole that gasoline dealers are being charged more by the refiners than what is being charged to the consumer – the dealers can't keep up with the increase in their charges and they also have to be concerned with the competition. There are only certain periods during which the dealer will make much money from gasoline sales; most gasoline dealers make their money with the attached stores and car washes.</p> <p>Mayor Dirksen closed the public hearing.</p> <p>Council discussion on the proposed ordinance followed:</p> <p>Councilor Wilson said transportation congestion on Highway 99W is the big issue in the City of Tigard. He said that if he thought this was entirely a burden on the station owners, he would vote no. He said he did not discount what Mr. Kimmel and Mr. O'Toole have said as he did think that initially there might be some inability to pass on the tax. However, he said he thought that the reason there are so many gas stations in Tigard is the same reason for the</p>	



Agenda Item	Discussion & Comments	Action Items (follow up)
	<p>congestion and that is because Tigard has major highways running through it.</p> <p>Councilor Wilson said Tigard has a street maintenance fee to take care of local streets, which should be paid by local residents and businesses. The gas tax is for maintaining highways that the City of Tigard is burdened with and for which the state has been unable to address the problems over the years. There have been no significant improvements for 30 years. In addition, half of the use is from people who are passing through Tigard. We need to be able to capture dollars from people who do not live here and to bear that burden as well.</p> <p>Councilor Wilson said that people will continue to buy gas and the likelihood is that they will purchase it closest to where they live. He said he did not doubt that some people would go elsewhere to save a few cents and businesses might take a short-term hit. In the long run, things will balance out and, hopefully, at the state level there will be a gas tax passed soon that will make this whole thing go away.</p> <p>Councilor Wilson noted that the bottom line is that throughout the region people are getting frustrated with the level of congestion for which nothing has been done for years. It's time to move on with this and Councilor Wilson said he was going to vote yes on the ordinance.</p> <p>Councilor Sherwood agreed with Councilor Wilson's comments. This has been studied for several years and citizens have reviewed the situation to determine a solution. She said there is a Tigard street maintenance fee for local streets. It is time that we quit waiting for the state to do something about our roads and the problems in our city and that we do something on our own. Councilor Sherwood said she was going to vote yes on the ordinance.</p> <p>Councilor Woodruff said it's a big responsibility for any elective body to talk about raising taxes</p>	

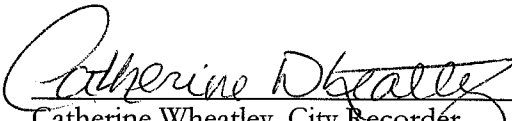
Agenda Item	Discussion & Comments	Action Items (follow up)
	<p>of any kind and we need to take that very seriously. He said he was especially concerned about the testimony that this might place an unfair burden on just a few people in Tigard who own the stations; this is certainly not the intent. Councilor Woodruff the tax is intended to affect the people who are creating the problem. The use of those tax dollars is directed toward a solution to the problem. He said he believes that is the case here.</p> <p>Councilor Woodruff said he certainly did not want to see stations close down. He said that if gas prices were more understandable to people, it would be an easier argument. He said he does not know anyone who understands how gas prices are determined – they are different at every station at every locality. Pricing does not seem logical to the average consumer. The station owners might not be able pass this on and it may mean that the bottom line for those two stations will be adversely affected and he would not want to see the small stations close down. He said if there was an opportunity to see the books and better understand the operations related to the prices that are paid and then compare this information a year from now, that information would be helpful. He understands this is proprietary information and it is difficult for station owners to share this; therefore, it leaves some mystery as to how this will all work.</p> <p>Councilor Woodruff pointed out that this is less than a 1% tax on the current gas prices. No one likes to pay the price of gas now. Councilor Woodruff said he wished there was another option. We all agree that this is a major problem with the state highway running through town. Tigard does not have a whole lot of control on this. We wish that Oregon Department of Transportation (ODOT) was better able to provide funding to make the necessary repairs to reduce the congestion on 99W.</p> <p>Councilor Woodruff said he thought the citizens</p>	

Agenda Item	Discussion & Comments	Action Items (follow up)
	<p>of Tigard expect us to do what we can with the resources for which we have access to make improvements that are possible on 99W. This has been researched by not only our citizens group, but by professionals who believe that this project would improve the congestion on 99W. This ordinance was written in a way that will allow for there to be a reduction if there are other taxes. Perhaps this will give all of us more impetus to advocate for a statewide tax. He agreed it would be better if there was a total even playing field, but we do not know what will happen and whether the state will step up. The longer we wait, the less opportunity there will be to have the proposed project occur at the same time other improvements are being made on Hall Boulevard.</p> <p>Councilor Woodruff said he was not enthusiastic about doing this because it is a serious step to cause people to potentially pay more money for a product. But, the public has sent a clear message that they want to see us to do something about the congestion on 99W. Councilor Woodruff said that this is the best option that we have on the table at this point.</p> <p>Mayor Dirksen said that a sequence of questions could be asked on this issue with the first question being, "Is there, in fact, a congestion problem on our streets that needs to be addressed?" Our citizens have told us on more than one occasion that there definitely is a problem and they are demanding that this be taken care of. This is something that this City Council needs to address.</p> <p>The next question is, "Does the money to alleviate that congestion...does it already exist – do we already have it in our revenue stream?" Mayor Dirksen said he was surprised that there wasn't at least one person testifying tonight to say new taxes should not be added because there is enough money that should be used more efficiently. There is no extra money to address this.</p>	

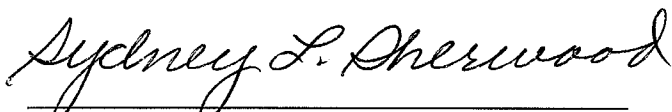
Agenda Item	Discussion & Comments	Action Items (follow up)
	<p>The final question then is, "Where shall that money come from?" After deliberation by a citizen group and discussions with this Council and others, the conclusion was that the best way to fund a project to help solve the problem is through a local gas tax. A gas tax immediately impacts those who use the roads and not just our citizens. Logic would indicate that this is the fairest way to come up with the money for the project; it is not necessarily perfectly fair, but it is the fairest way available to us.</p> <p>Mayor Dirksen said he was not unsympathetic to the concerns of the gas station owners. Assuming they could pass all the gas tax on to the customers, it will still represent an administrative burden. He said he knows that having local gas taxes from different jurisdictions will make life more complicated for station owners.</p> <p>Mayor Dirksen said his opinion differs in one regard to those stated by other City Council members. It would not be in the best interests of the City of Tigard if a state or county gas tax was instituted. He said he is a big proponent of local control. If the taxes were collected by the state or county, Tigard would receive \$500,000 less per year, which would mean our citizens would pay the same tax with less return.</p> <p>Over and over again, the citizens of Tigard, are seeing their taxes raised by someone else and then the money goes someplace else to serve someone else. Mayor Dirksen said he sees the local gas tax as a way for us to completely control the collection and the expenditure of this gas tax money, so that the people who pay it receive the benefit. For that reason, he said he personally thinks a local gas tax for the citizens of Tigard is preferable to a county or a state gas tax. Recognizing the impact that this would have on others if we were to impose a local gas tax and then other gas taxes were imposed as well, we have crafted provisions into the</p>	

Agenda Item	Discussion & Comments	Action Items (follow up)
	<p>ordinance so we would not end up taxing our citizens twice nor would we impose a double burden on our local businesses. He said he sees no better way to do this and he would support the ordinance.</p> <p>In response to a comment from Councilor Woodruff, Mayor Dirksen said he would personally buy gas in the City of Tigard in order to help pay for the improvements that are needed. He hoped other citizens who are civic minded would do the same.</p> <p>City Council then voted on the proposed ordinance.</p> <p>ORDINANCE NO. 06-21 – AN ORDINANCE CREATING AND IMPOSING A TAX ON MOTOR VEHICLE FUEL DEALERS, PROVIDING FOR ENFORCEMENT, ADMINISTRATION AND COLLECTION OF THE TAX, AND AMENDING THE TIGARD MUNICIPAL CODE BY ADDING A NEW CHAPTER, 3.65.</p>	
8. Fourth Quarter Council Goal Update	<p>City Manager Prosser presented the staff report on this agenda item. A written summary of the status of the City Council goals is on file in the City Recorder's office.</p> <p>City Council met in a goal-setting session on December 11 and identified five major goals. The City Council is now reviewing a draft of the proposed goals; final goals are scheduled for City Council approval at its January 23, 2007, meeting.</p>	
Adjournment	The meeting adjourned at 9:43 p.m.	<p>Motion by Councilor Wilson, seconded by Councilor Woodruff, to adjourn the meeting.</p> <p>The motion was approved by a unanimous vote of Council</p>

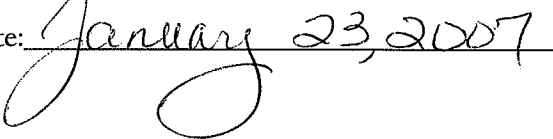
Agenda Item	Discussion & Comments	Action Items (follow up)
		<p>present.</p> <p>Mayor Dirksen      Yes</p> <p>Councilor Sherwood   Yes</p> <p>Councilor Wilson      Yes</p> <p>Councilor Woodruff   Yes</p>

  
Catherine Wheatley, City Recorder

Attest:



Council President, City of Tigard

Date:  January 23, 2007